



The House of Representatives Standing Committee on Industry, Science and Resources regarding an inquiry into Food and Beverage Manufacturing.

Opal Submission – 30 April 2024

**Summary of recommendations:**

To support the Food and Beverage manufacturing sector, Opal recommends that the Australian Government:

- Expedite the development of a specific ACCU methodology for Energy from Waste facilities in line with recommendation 5 of the Independent Review of Australian Carbon Credit Units December 2022.
- Launch an Innovation Fund similar to the NIFPI model, that would provide grant support to eligible projects put forwarded by industry and researchers.
- Work with the industry to identify co-funding opportunities for equipment and technology that supports local manufacturing of products to substitute single use plastic packaging.

**Introduction**

Thank you for the opportunity to make a submission to The House of Representatives Standing Committee on Industry, Science and Resources regarding an inquiry into Food and Beverage Manufacturing.

Opal is one of Australia and New Zealand's largest packaging, paper and recycling businesses and is a member of the NIPPON PAPER GROUP. We manufacture innovative fibre packaging and paper solutions and are committed to a circular economy approach. Opal is focussed on providing our customers with products and solutions that replace non-recyclable and single-use plastic packaging. With employees across Australia and New Zealand, Opal exports locally made packaging paper around the world. Our Vision is: Opal shapes the future through sustainable packaging. <http://www.opalanz.com>

Opal provides an essential service to the food and beverage manufacturing industry in Australia through the innovative and sustainable fibre packaging that we manufacture, and the recycled product solutions we provide for a wide range of customers, including the meat and fish sectors, fresh produce, dairy, wine and beer industries, in addition to a large number of FMCG brands and quick service restaurants. Opal's integrated local value chain provides packaging and key supplies to a wide range of manufacturing businesses delivering essential goods to communities around Australia.

In 2023 Opal's Botany Mill remanufactured 493,315 tonnes of Old Corrugated Containers (OCC) into 436,863 tonnes of 100% recycled packaging paper and board. Our Maryvale Mill remanufactured a further 85,096 tonnes of OCC into a wide range of recycled content packaging papers to be used in the production of cardboard boxes and paper bags and sacks.

As an industry leader in fibre packaging, product innovation and recycling, Opal is well placed to provide insight into packaging development opportunities for the food and beverage manufacturing industry.

**Inquiry Terms of Reference and recommendations**

**Approaches to circular economy, waste reduction and decarbonising, including packaging and food waste**

While Opal is committed to achieving a 45% reduction in scope 1 and 2 greenhouse gas emissions by 2030 and net zero by 2050, as a large user of natural gas to generate thermal

energy for our paper manufacturing and corrugating processes, this target remains challenging.

In alignment with these commitments, Opal has entered into a consortium with Veolia and Masdar Tribe to construct a \$600 million leading-edge Energy from Waste facility at the Maryvale Paper Mill which will significantly reduce both gas usage at the site and Victoria's greenhouse gas emissions by an estimated 270,000 tonnes per annum. However, a methodology to assess the positive decarbonisation impact of Energy from Waste projects via Australian Carbon Credit Units is not currently available.

**Recommendation:** The Maryvale Energy from Waste consortium calls on the Australian Government to honour its commitment to accept all 16 recommendations of the Independent Review of Australian Carbon Credit Units December 2022 review, by expediting the development of a specific ACCU methodology for Energy from Waste facilities in line with recommendation 5 of the Review.

### **Opportunities across both domestic and export markets for Australian manufactured products, including shifting consumer trends;**

Traditionally, transporting food and beverages domestically and offshore can require the use of expanded polystyrene (EPS), which is difficult to recycle and often ends up in landfill.

Opal has identified sustainable fibre alternatives to EPS for both dunnage, which is used to limit movement of products while they are being transported, and for packaging for whole fish transportation.

Opal collaborated with a major meat processor to develop an internationally awarded corrugated cardboard dunnage solution. The dunnage, which is a 100 per cent recyclable alternative to expanded polystyrene, also provides cost and operational efficiencies for the meat processor as it accommodates more product boxes per pallet.

Opal's whole fish box is a cleverly designed functionally coated corrugated fibre box that features Arctic Shield, a moisture barrier that can tolerate low temperatures associated with cold chain transportation for domestic and international export.

**Recommendation:** Developing an Innovation Fund, similar to the National Institute for Forest Products Innovation (NIFPI) program - <https://nifpi.org.au/> - could provide the opportunity for industry and researchers to ideate and develop Australian manufactured products with appeal to domestic and export markets.

### **Mechanisms for the Australian Government to support further innovation and sustainable growth in the sector**

Australia's 2025 National Packaging Targets require food and beverage producers to move to 100 percent reusable, recyclable or compostable packaging and phase out problematic and unnecessary single-use plastic packaging.

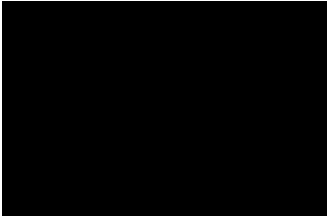
Opal is investing in essential research and development to test and commercialise products made from recycled and recyclable paper and cardboard.

By way of example, as an alternative to plastic (PET) containers, Opal has designed and developed a paper-based food and fresh produce punnet. Opal has utilised a key unique transparent film produced from wood pulp that enables the punnet to be re-sealed for food safety, food waste management and product visibility.

The punnets are made from paper manufactured in Australia by Opal and are lightweight yet feature the robustness needed to protect fresh produce through supply chains and freight.

**Recommendation:** To support further innovation and growth, funding support to generate private investment in machinery and emerging and proven technologies would be valuable to the Food and Beverage manufacturing sector.

We would welcome the opportunity to meet further and discuss our recommendations in greater detail.



**Craig Dunn**

General Manager Public Relations and Sustainability, Opal

E: 